

# Interest rate forecast for companies

Mortgages from UBS key4 mortgages in the current interest rate environment – July 2025



## Rate-cutting cycle likely completed

Fears that the USA's protectionist trade policy could trigger a significant economic slowdown led to a marked fall in yields on Swiss government bonds and mortgage interest rates until the beginning of May. Since then, however, Swiss interest rates have moved sideways.

On 19 June, the Swiss National Bank (SNB) lowered the key interest rate from 0.25% to 0%. To explain its decision, it cited weaker inflationary pressure. Unless the economic outlook deteriorates further in the coming months, the SNB should nonetheless have now completed its cycle of interest rate cuts.

The SNB's interest rate cut was already expected by the market and is therefore unlikely to have a noticeable impact on longer-term interest rates. Yields on Swiss government bonds and mortgage interest rates should therefore remain within the current range in the coming quarters. Mortgage interest rates linked to SARON are also unlikely to fall any further.

A key interest rate of below 0 percent would be possible in a scenario in which the US government tightens its protectionist stance even further, which would put additional pressure on the economy. Longer-term Swiss interest rates would then also have room to fall further. The recent easing of tensions in the customs dispute has nevertheless reduced the likelihood of this type of scenario.

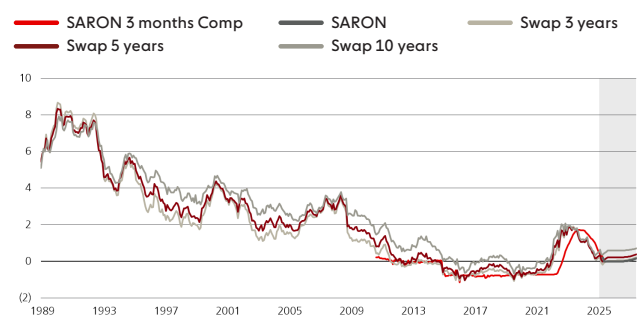
(Status as at 19 June 2025)

## The perfect real estate financing for every need

The type of financing has a significant effect on the profitability of your investment properties. We offer you tailor-made financing models and support you in optimizing your earnings through the whole life cycle of your properties.

- With a fixed-rate Mortgage or a fixed-rate from UBS key4 mortgages Loan, we fix the capital, duration and interest rate in the long term. This makes calculating costs easy.
- If you are looking for highly flexible, short-term financing, we recommend UBS key4 mortgages fixed advances, a UBS key4 mortgages Floating Rate loan or a UBS key4 mortgages saron flex mortgage.

## Long-term interest rate trend in %



Sources: Bloomberg, UBS Switzerland AG

This is only an indicative interest rate. The effective interest rate is calculated using the margin + Compounded SARON of the accounting period. The Compounded SARON cannot be negative.

## Interest rate forecast in figures

	30.06.25	31.12.25	30.06.26	31.12.26	30.06.27
SARON	0.00	0.00	0.00	0.02	0.13
Swap 3 years	-0.08	0.03	0.04	0.08	0.20
Swap 5 years	0.08	0.21	0.22	0.25	0.35
Swap 10 years	0.42	0.59	0.59	0.61	0.69

Sources: Bloomberg, UBS Switzerland AG

Please note that the stated interest rate is in part a forecast and the actual interest rate may be higher or lower.

UBS key4 mortgages offer attractive combinations for all mortgage profiles under any interest rate conditions

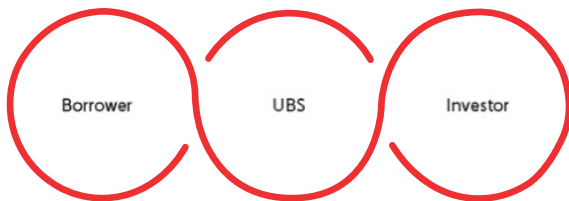
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● suitable    ● suitable under certain conditions    ● not suitable

With an overall limit under Real Estate financing von UBS key<sup>4</sup> mortgages, you have maximum flexibility for covering your financial needs thanks to a variety of loan usage options.

## What you can expect from UBS key<sup>4</sup> mortgages




[UBS key<sup>4</sup> mortgages](#) is a platform for financing investment property, where borrowers and Swiss institutional investors searching for reliable long-term financing opportunities in the Swiss real estate sector can meet. Place just one request and you will receive multiple offers at the best possible conditions from the range of available products. The offers are easy to compare and the choice of investor is completely up to you.



- ✓ Always at your side  
We assess and broker requests and take care of the entire administration.
- ✓ Several offers  
With one request you will receive several attractive offers.
- ✓ Transparent costs  
There are no hidden costs. You only pay fees if you take out a mortgage.

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### For all your questions

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